

October 28, 2011

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Reference FR Doc. 2011-22912 (FR Y-14A and FR Y-14Q)

Dear Ms. Johnson:

BB&T Corporation (BB&T) appreciates the opportunity to comment on the Federal Reserve Board's (FRB) proposed FR Y-14 data collection schedules.

BB&T supports the FRB's efforts to enhance the Comprehensive Capital Analysis and Review (CCAR) process to ensure that institutions have a robust, forward-looking capital planning process that accounts for their unique risks. We have several concerns with specific aspects of the proposal, which are listed below.

**Proposed Implementation Timeframe Too Short**

The proposed changes in data collection schedules are very detailed and require time-consuming analysis to accurately report the requested information. The proposed templates significantly increase the level of reporting from the previous CCAR exercise and the current quarterly reporting requirements.

Additionally, as the FRB is aware, the Dodd-Frank Wall Street Reform and Consumer Protection Act mandates more than 240 separate rulemakings over the next several years. As a result, institutions will need to devote significant additional resources to their compliance programs, and will continue to do so for the foreseeable future. Accordingly, and in order to provide sufficient time for institutions to make the extensive system and procedural changes needed to provide accurate and timely assessment calculation data, we urge the FRB to make the effective date for any new rules be at least six months following publication of the final rules.

**Proposed Schedules Should Have More Materiality Rules for Business Segment Reporting**

The proposed data collection schedules significantly increase the granularity of reported data without consistently considering the materiality of this information. Specifically, the proposed Pre-Provision Net Revenue (PPNR) worksheets request detailed metrics on business segments which may not represent a material portion of an institution's net revenues. The *PPNR Metrics* worksheet includes materiality rules for two business segments, International Retail and Small Business and Investment Services, but does not include materiality rules for other business segments. Thus, the proposed worksheets require time-consuming data collection and forecast analysis for immaterial business segments without providing meaningful insights into a bank holding company's operating performance.



Certain metrics are presently not forecasted at the requested level of granularity due to the metric's immaterial impact on profitability and capital. Thus, the proposed worksheets require the creation of new forecasting processes without enhancing the quality of forecasting outputs.

We strongly urge the FRB to apply materiality rules to all business segments, particularly on the *PPNR Metrics* worksheet.

### **Reporting Margin in Multiple Formats Does Not Generate Valuable Insights**

The proposed Pre-Provision Net Revenue (PPNR) worksheets require two methods for reporting net interest income. *PPNR Net Interest Income* worksheet requires a net interest income breakdown by asset and liability class and *PPNR Projections* worksheet requires a breakdown by business segment. A robust forecasting and stress testing framework requires one approach, not two. The business segmentation approach is not consistent with how we presently manage our margin, which is by asset and liability class. Additionally, it is not consistent with any asset or liability classification currently reported in the FR Y-9C. Requiring both reporting approaches creates the burden of a second forecasting and reporting exercise without providing valuable insights to management. A single forecasting and reporting approach sufficiently facilitates decision-making by the board and senior management.

The previous CCAR exercise (2011) required institutions to submit either a *Standard PPNR Submission* or *Alternative PPNR Submission* worksheet. These two worksheets mirrored the proposed *PPNR Net Interest Income* and *PPNR Projections* worksheets, respectively. The proposed worksheets request a more granular view of net interest income than the previous worksheets.

We strongly urge the FRB to require submission of only the *PPNR Net Interest Income* or *PPNR Projections* worksheet so that institutions can report this information in a manner consistent with their internal reporting to the board and senior management or already agreed upon regulatory format.

### **Retail Balance Projection**

The proposed *BHC Retail Balance Projections Submission* worksheet requires granular reporting of forecasted balance flows. While a robust forecasting process makes assumptions regarding balance flows, it does not necessitate reporting on the decomposition of the flows. The decomposition produces information at a level of detail which is not presently converted into a reportable format due to the information's relative immateriality. The proposed schedules would require the creation of new processes which convert the most granular outputs of the forecasting model into reportable information. Thus, the proposal would require time-consuming efforts to create new reporting outputs from the forecasting models. The new outputs would not be used outside of the CCAR exercise because this detail of information is not required for any other internal and external reporting.

### **Loss of Information Fidelity**

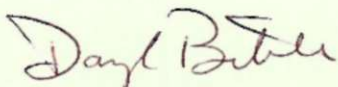
Banks build their simulation processes around the way the bank manages its business. When data is required to be sliced into pieces that are incongruent with the way the bank runs its business and thus, conducts its forecast, the bank is either required to prorate its results into reporting buckets to meet the template requests or to run multiple forecast processes which leads to producing results that cannot be benchmarked to the banks other information as it does not resemble the way the bank manages. Each additional slice of the data can lead to an additional loss of fidelity and, in the aggregate, could distort the results and conclusions developed from the horizontal review. We fully understand and support the FRB's request to have data provided in Call Report categories, but we strongly urge the FRB to reconsider the additional data slices proposed in the new templates.

### **FR Y-14Q Schedules Reporting Timeframe and Due Dates**

The proposed FR Y-14Q schedules requests actual data starting in the first quarter of 2009. These schedules request the data in new formats which do not match the format of existing regulatory or GAAP reporting. The most notable example is the proposed PPNR worksheets. As a result, there could be data collection issues with creating new reports with three years worth of historical data. We urge the FRB to only require two years of actual history, dating back to 2010, for the first round of FR Y-14Q reporting. Additionally, we urge the FRB adjust the FR Y-14Q due dates so that institutions can utilize the completed FR Y9-C schedules when implementing the new FR Y-14Q reporting schedules.

Thank you for your consideration of our comments, and please feel free to contact me with any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daryl Bible". The signature is fluid and cursive, with the first name "Daryl" and last name "Bible" clearly distinguishable.

Daryl Bible  
BB&T  
Chief Financial Officer